

**BYLAWS**  
**OF**  
**BRUNSWICK – COLUMBUS**  
**INTERNATIONAL PARK, INC.**

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**BRUNSWICK – COLUMBUS INTERNATIONAL PARK, INC.**

**ARTICLE I**  
**Name**

The name of this corporation is Brunswick – Columbus International Park, Inc. (the “**Corporation**”).

**ARTICLE II**  
**Purpose**

The purposes of the Corporation are: (I) to engage in activities that promote economic development in Brunswick and Columbus Counties, North Carolina, resulting in the attraction of jobs and capital investments to these Counties, which will increase job opportunities and services for the benefit of citizens of the Counties; and (II) to do any other lawful activities which promote and support charitable and educational purposes, and which lessen the burden of government, which activities qualify under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and Section 105-125 and Section 105-130.11(a) of the General Statutes of North Carolina.

**ARTICLE III**  
**Offices**

**A. Principal Office:** The principal office of the Corporation in the State of North Carolina shall be located at the Brunswick County Economic Development Commission office at 20 Referendum Drive, Bolivia, Brunswick County, North Carolina 28422.

**B. Registered Office:** The registered office of the Corporation required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office, with the initial registered office located at 20 Referendum Drive, Bolivia, Brunswick County, North Carolina 28422.

**C. Other Offices:** The Corporation may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors from time to time may determine, or as the affairs of the Corporation may require.

## ARTICLE IV

### Membership

The Corporation shall have no members.

## ARTICLE V

### Board of Directors

**A. General Powers.** The affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors shall have the authority to contract with any individual, corporation, or any organization, however constituted, or services which when performed will carry out, in whole or in part, the purposes and functions of this Corporation.

**B. Number, Election and Term of Office of the Board of Directors.** The Board of Directors shall be appointed or elected as set forth herein.

The number of Directors of the Corporation shall be no less than seven (7) and no more than eleven (11). The Directors shall consist of the following people who are appointed or elected in accordance with the following:

1. The respective Chairmen of Boards of Commissioners of Brunswick County and Columbus County shall serve on the Board of Directors by virtue of their elected office. Such Directors shall not be subject to term limitations or limits on consecutive terms as described below for other Directors.
2. The currently serving Economic Development Executive Directors of Brunswick and Columbus Counties shall serve as Directors of the Corporation. Such Directors of the Corporation will not be subject to term limitations or limits on consecutive terms as described below for other Directors.
3. The Boards of Commissioners of Brunswick County shall appoint two (2) people from that County to serve as Directors of the Corporation and the Board of Commissioners of Columbus County shall appoint two (2) people from that County to serve as Directors of the Corporation. Each Director so appointed shall be subject to term limitations and limits on consecutive terms as set forth below in paragraphs 5 & 6 of this Section B of Article V.
4. So many of the Directors of the Corporation as may be appointed as set forth in paragraphs 1 through 3 above shall have the right to elect up to a total of three (3) Directors as they may deem appropriate from time to time by a majority vote. Each Director so elected shall be subject to term limitations and limits on consecutive terms as set forth below in paragraphs 5 & 6 of this Section B of Article V.

5. Each Director appointed pursuant to paragraph 3 above or elected pursuant to paragraph 4 above shall serve an initial term of one (1), two (2) or three (3) years, as determined by the Directors appointed pursuant to paragraph 1 and 2 above, to the end that these Directors shall serve staggered terms with two (2) or three (3) Director positions becoming open in each year of the Corporation's existence. Any such Director elected or appointed thereafter shall serve terms of three (3) years, unless such Director is removed from or retires from his Director seat sooner.
6. No Director shall serve more than two consecutive three (3) year terms, with an initial term of one (1) or two (2) years or a term of less than three (3) years when filling a vacancy pursuant to paragraph D below not being counted as a full term for purposes of this limit on consecutive terms. Any director who serves two (2) full three (3) year terms, and is thereby prohibited from serving an additional consecutive term, may be reappointed or reelected to the Board of Directors after being off of the Board for at least one year before reappointment or reelection.

**C. Removal or Resignation.**

1. Any Director may, by notice in writing to the Board, resign at any time.
2. A Director may be removed from office, with or without cause, by the vote of not less than three-fourths (3/4) of the other Directors; provided, notice of such proposed action shall have been duly given in the notice of the meeting, and provided that Director in question has been informed in writing of the reasons for his removal at least ten (10) days before such meeting. The Director involved shall be given the opportunity to be heard at such meeting.
3. Any vacancy created by the removal of a Director shall be filled in the same manner as that provided for filling the position on the Board of Directors held by that person.
4. The above provisions notwithstanding, if a Director fails to attend three (3) consecutive meetings of the Board of Directors, without having an absence excused by the Chairman, such Director shall automatically be removed from the Board of Directors, and such vacancy shall be filled in accordance with paragraphs 1 through 4 of Section B above of this Article V.

**D. Vacancies.** Vacancies in the Board of Directors may be filled in the manner prescribed for the selection of that position, the term of the appointed Director(s) to be only until the end of the term of that Directorship. Director seats appointed pursuant to paragraph B.4. that become vacant shall be filled by a majority of the remaining Directors at any meeting of the Directors called for that purpose. Any Directors elected at any such meeting shall serve until the next election of Directors and until their successors are elected and qualified.

**E. Quorum and Transaction of Business.**

1. A majority of the whole authorized number of Directors shall constitute a quorum for the transaction of business, except with respect to the filling of a vacancy on the Board as provided in Paragraph D; provided, however, that a quorum will not be deemed to be present, regardless of the number of Directors in attendance at a meeting of the Board of Directors, unless there is at least one or more Directors present who represent each of Brunswick and Columbus County, as appointed pursuant to paragraphs 1 through 3 of this Section B of Article V.
2. In special circumstances, deemed appropriate by the Chairman, one or more Director(s) may participate in one or more meeting(s) (annual, regular or special) by a telephone conference arrangement, provided that the Director(s) participating by telephone conference can hear the comments of other Directors and such other Directors can hear the comments of the Director(s) participating by telephone conference. The Chairman shall have the discretion and authority to approve or disapprove participation by telephone conference. Any Director(s) participating by telephone conference shall be counted toward satisfying the quorum requirements of this Section E.
3. Whenever less than a quorum is present at the time and place appointed for any meeting of the Board, a majority of those present may adjourn the meeting from time to time until a quorum shall be present.
4. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

**F. Annual Meeting.** Annual meetings of the Board of Directors shall be held on or before June 30 of each year, or at any reasonable time thereafter at the discretion of the Board of Directors, at a time and place within or outside of Brunswick or Columbus Counties to be determined by the Board of Directors, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. Annual meetings, to the extent possible, shall alternate between Brunswick and Columbus Counties, on a year-by-year basis. The Secretary shall give notice of each ratified resolution to any Director who was not present at the time it was adopted. No further notice of an annual meeting need be given.

**G. Regular Meetings.** Regular meetings of the Board of Directors shall be held at such times and places, within or outside of Brunswick or Columbus Counties, as the Board of Directors may, by resolution, determine. The Secretary shall give notice of each ratified resolution to any Director who was not present at the time it was adopted. No further notice of a regular meeting need be given.

**H. Special Meetings.** Special meetings of the Board of Directors may be called by the Chairman or by a majority of the Directors then duly seated and serving, and shall be held at

such times and places, within or outside of Brunswick or Columbus Counties, as may be specified in such call.

**I. Notice of Meetings.**

1. Notice of the time and place of each annual, regular, or special meeting shall be given to each Director by the Secretary or by the person or persons calling the meeting. Such notice need not specify the purpose or purposes of the meeting, except that a meeting called pursuant to paragraph C above to remove a Director shall so state that purpose. It may be given in any manner, provided it is given at such time so that the Director receiving it may have a reasonable opportunity to participate in the meeting.
2. Notice of each annual, regular or special meeting shall be deemed to have been timely given if mailed not less than ten (10) nor more than thirty (30) days prior to the meeting and directed to the address of each Director as shown on the Secretary's records. If a meeting is to be held by telephone, the notice shall set forth the telephone number, as shown upon the Secretary's records, at which each Director may be reached for purposes of participation in the meeting and shall state that the Secretary must be notified if a Director desires to be reached at a different telephone number.

**J. Action Without Meeting.** Any action which may be taken at any meeting of the Board, or of any committee thereof, may be taken without such meeting by one or more written documents signed by all Directors setting forth the action to be taken. The written action must be unanimously approved in writing and shall be filed with the Secretary of the Corporation and inserted by the Secretary of the Corporation in the permanent records relating to meetings of the Board.

**K. Compensation.** The Directors shall serve without compensation for their services but, by resolution of the Board of Directors, a fixed sum and reasonable expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board. Nothing herein shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving reasonable compensation for such services.

## **ARTICLE VI**

### **Committees**

**A. Board Committees.** The Board of Directors may provide for such standing or special committees consisting solely of Directors as it deems desirable and may discontinue these committees at its pleasure. The committees shall have whatever power is granted to them by the Board, but in no event shall such authority exceed the power of the Board of Directors.

**B. Other Committee and Advisory Groups.** The Board may provide for such other committees and advisory groups, consisting in whole or in part of non-directors, as it deems desirable, and may discontinue these committees and groups at its pleasure. Each such committee and group shall be advisory to the Board and shall have such powers and perform such duties or functions, not inconsistent with law, as may be set forth for it by the Board. Appointments to and the filling of vacancies on such committees and groups shall be the responsibility of the Chairman unless the Board provides otherwise. Any action by any such committees or groups shall be subject to control, revision and alteration by the Board, provided that no rights of third persons shall be prejudicially affected.

## **ARTICLE VII**

### **Officers**

**A. Number.** The officers of the Corporation may consist of a Chairman, Vice Chairman, a Secretary, and a Treasurer. The Board may elect or appoint other officers as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board. Any two or more offices may be held by the same person, except that: (i) one person cannot serve as both the Chairman and Vice Chairman, and (ii) no officers may act in more than one capacity where action of two or more officers is required.

**B. Election, Term of Office and Qualifications.** Each officer, except such officers as may be appointed in accordance with the provisions of Section C of this Article VIII, shall be chosen by the Board of Directors and shall hold office until the second annual meeting of the Board of Directors held next after his election, or until his successor shall have been duly chosen and qualified, or until death, or until he shall resign, or shall have been disqualified, or shall have been removed from office. Unless the Board of Directors specifically decides otherwise by a majority vote, the Vice-Chairman shall move to the position of Chairman, every two (2) years.

**C. Subordinate Officers and Agents.** The Board of Directors from time to time may appoint other officer(s) or agent(s), each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors from time to time may determine; provided that, such duties shall relate to the day-to-day management of Corporation affairs. The Board of Directors may delegate to any officer or agent the power to appoint any subordinate officer or agent and to prescribe his respective authority and duties. Notwithstanding the foregoing, strategic direction and ultimate authority for the Corporation shall always reside with the Board of Directors.

**D. Removal.** Any officer elected or appointed by the Board may be removed from said office by the Board by a majority vote of the non-affected Directors whenever in its judgment the best interest of the Corporation would be served thereby. New officers may be elected at the same meetings to fill the unexpired term of the removed officer.

**E. Resignation.** Any officer may resign at any time by giving written notice to the Board of Directors or to the Chairman or the Secretary of the Corporation, or if he was appointed

by an officer or agent in accordance with Section C of this Article VIII, by giving written notice to the officer or agent who appointed him. Any such resignation shall take effect upon its being accepted by the Board of Directors or by the officer or agent appointing the person so resigning.

**F. Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors, by a majority vote for the unexpired portion of the term, except that the Vice-Chairman shall move to the position of Chairman, unless the Board of Directors votes otherwise by a majority vote.

**G. Chairman.** The Chairman shall be the principal executive officer of the Corporation and, subject to the direction of the Board of Directors, shall supervise and control the management of the Corporation in accordance with these Bylaws. The Chairman shall sign, with any proper officer, any deeds, leases mortgages, bonds contracts, or other instruments which may be lawfully executed on behalf of the Corporation, except where required or permitted by law to be otherwise signed and executed and excepted where the signing or execution thereof shall be delegated by the Board of Directors to some other officer or agent, and in general, the Chairman shall perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board of Directors from time to time. The Chairman shall preside at all meetings of the Board of Directors.

**H. Vice Chairman.** At the Chairman's request, or in the Chairman's absence or disability, the Vice Chairman, shall perform all the duties of the Chairman and when so acting shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice Chairman shall perform such other duties and have such authority as the Board may from time to time assign.

**I. Secretary.** The Secretary shall keep accurate records of the acts and proceedings of all Directors meetings. The Secretary shall give all notices required by law and by these Bylaws. The Secretary shall have general charge of the corporate books and records of the corporate seal and shall affix the corporate seal to any lawfully executed instrument requiring it. The Secretary shall have general charge of the books of the Corporation and shall at the registered or principle office of the Corporation a record of Directors signatures, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned from time to time by the Chairman or the Board of Directors.

**J. Treasurer.** The Treasurer shall have custody of all funds and securities belonging to the Corporation and shall receive, deposit, or disburse the same under the direction of the Board of Directors. The Treasurer shall keep full and accurate accounts of the finances of the Corporation in books especially provided for that purpose and shall cause a true statement of its assets and liabilities as of the close of each fiscal year and of the results of this operations and of changes in surplus for each fiscal year, all in reasonable detail, to be made and filed at the registered or principle office of the Corporation within four (4) months after the end of such fiscal year. The statement so filed shall be kept available for inspection by any Director for a period of ten (10) years; and the Treasurer shall mail or otherwise deliver a copy of the latest such statement to any member upon his written request therefore. The Treasurer, in general,



shall perform all duties incident to such office and such other duties as may be assigned from time to time by the Chairman or by the Board of Directors.

**K. Duties of Officers May Be Delegated.** In case of absence of any officer of the Corporation or for any other reason that the Board may deem sufficient, the Board may delegate the powers or duties of such officer to any other officer or to any Director for the time being, provided a majority of the entire Board of Directors concurs therein.

## **ARTICLE VIII**

### **Fiscal Year**

The fiscal year of the Corporation shall begin on the first day of July and end on the last day of June of each year.

## **ARTICLE IX**

### **Conflict of Interest**

A Director having a conflict of interest or a conflict of responsibility as defined by these Bylaws and appropriate law on any matter involving the Corporation and any other business or person shall refrain from voting on such matter. No Director or officer shall use his or her position as a Director or officer of the Corporation for his or her own direct or indirect financial gain. In addition to the foregoing, the Corporation shall be governed by the Conflict of Interest Policy set forth in Rider 1, attached hereto.

## **ARTICLE X**

### **General Provisions**

**A. Contracts.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or lease, or to execute and deliver any instrument on behalf of the Corporation, and such authority may be general or confined to specific instances. The Board of Directors may enter into employment contracts for any length of time it deems wise pursuant to North Carolina law.

**B. Loans.** No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or specific in nature and scope.

**C. Checks and Drafts.** All checks, drafts or other orders for the payment of money issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as from time to time shall be determined by resolution of the Board of Directors.

**D. Deposits.** All funds of the Corporation not otherwise employed from time to time shall be deposited to the credit of the Corporation in such depositories as the Board of Directors may select.

**E. Gifts.** The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation, as determined by resolution of the Board.

**F. Books and Records.** The Corporation shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its Board and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the Directors. All books and records of the Corporation may be inspected by any member or his agent or attorney for any proper purpose at any reasonable time.

**G. Seal.** The Board shall provide a corporate seal, which shall be in the form of circle and shall have inscribed thereon the name of the Corporation and the words, "Corporate Seal, North Carolina".

**H. Amendment of Bylaws.** Except as otherwise provided herein, these Bylaws may be amended or repealed by three-fourths (3/4) vote of the Directors present at any annual or regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose, at which a quorum is present; provided, however, that no such action shall change the purposes of the Corporation so as to impair its rights and powers under the laws of the State of North Carolina, or to waive any requirement of bond or any provision for the safety and security of the property and funds of the Corporation. Notice of any amendment to be offered at any meeting shall be given not less than seven (7) and not more than thirty (30) days before such meeting and shall set forth such proposed amendment.

**I. Waiver of Notice.** To the extent a Director is entitled to meeting notice pursuant to the provisions of the North Carolina Not-for-Profit Corporation Act or under the provisions of the Corporation's Articles of Incorporation or these Bylaws, such Director shall have the right to make written waiver of such notice, before, at, or after a meeting. The waiver shall be filed with the person designated to act as secretary of the meeting who shall enter it upon the records of the meeting. Appearance at a meeting is deemed a waiver unless it is solely for the purpose of asserting the illegality of the meeting.

**J. Indemnification.** Any person who at any time serves or has served as a Director or officer of the Corporation, or in such capacity at the request of the Corporation, shall have the right to be indemnified by the Corporation to the fullest extent permitted by the law against (a) reasonable expenses, including attorneys' fees, actually and necessarily incurred by him/her in connection with any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative, and whether or not brought by or on behalf of the Corporation, seeking to hold him/her liable by reason of the fact that he/she is or was acting in such capacity, and (b) for reasonable payments made by him/her in satisfaction of any judgment.

money decree, fine penalty, or settlement for which he/she may become liable in any such action, or proceeding.

The Board of Directors of the Corporation shall take all such action as may be necessary and appropriate to authorize the Corporation to pay the indemnification required by this Bylaw, including without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him and giving notice to, and obtaining approval by, the directors of the Corporation.

This section shall not be applicable with respect to matters as to which a Director or officer shall be adjudged in an action, suit or proceeding to be liable for negligence or misconduct in the performance of duty or actions taken outside the scope of performance of duties as an officer or agent of the Board.

This section shall not be deemed to be exclusive of any other rights to which a Director or officer may be entitled under the vote of Board of Directors or member, or otherwise. At the discretion of the Board of Directors, and providing that it is financially feasible, the Corporation will provide liability insurance for its Directors and officers.

**K. Asset Distribution.** Upon the dissolution of the Corporation, the Board of Directors shall first pay or make provision for the payment of all the liabilities of the Corporation. Then one-half of the remaining assets shall be disbursed to Brunswick County and one-half to Columbus County, unless both Counties' Boards of Commissioners votes by majorities to disburse those net assets otherwise. Subject to the terms of the preceding terms of this paragraph K, the Corporation shall only dispose of all the assets of the Corporation exclusively for the purposes of the Corporation in such manner or to such organization or organizations or operated exclusively for economic development purposes as the Board of Directors shall determine, and any such assets not so disposed of shall be contributed and given to a qualified 501(c)(3) entity, for use in furthering the economic well being of the public. None of the assets shall be disposed of or diverted to any other purpose and shall in no manner be disposed of in such manner so as to accrue to the benefit of any Director of said Corporation.

## **ARTICLE XII**

### **Adoption**

These Bylaws become effective immediately upon approval by the Board of Directors.

**Bylaws - Rider 1**  
**CONFLICT OF INTEREST POLICY**

**Article I**  
**Purpose**

The purpose of the conflict of interest policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

**Article II**  
**Definitions**

1. **Interested Person.** Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (a) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
- (b) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the Board of Directors of the Corporation (or authorized committee) decides that a conflict of interest exists.

**Article III**  
**Procedures**

1. **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest to the Board and be

given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board of committee members shall decide if a conflict of interest exists.

3. **Procedures for Addressing the Conflict of Interest**

- (a) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- (b) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the governing board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- (d) If more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board of committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. **Violations of the Conflicts of Interest Policy**

- (a) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**Article IV**  
**Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the pleadings.

**Article V**  
**Compensation**

1. A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

3. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**Article VI**  
**Annual Statements**

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- (a) Has received a copy of the conflict of interest policy;
- (b) Has read and understands the policy;
- (c) Has agreed to comply with the policy; and
- (d) Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**Article VII**  
**Periodic Reviews**

To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

2. Whether partnerships, joint ventures and arrangements with management Corporations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**Article VIII**  
**Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.